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November 8, 2017

Via Hand Delivery

Anthony M. Copeland
Secretary of Commerce
North Carolina Department of Commerce
301 North Wilmington Street
Raleigh, North Carolina 27601

Contains Confidential & Proprietary Business Information

Dear Secretary Copeland:

We at Duke Energy stand ready to provide all information necessary for you to fully understand the monumental economic development and recruitment advantages that the Atlantic Coast Pipeline (ACP) will bring to North Carolina, particularly for economically distressed rural communities along the pipeline route.

Given North Carolina's growth and strong economy, the demand for natural gas in the state is soaring at a time when we are retiring coal plants for cleaner energy alternatives. The demand for natural gas in our state has never been higher and is projected to more than double over the next 20 years.

With this growth and increasing demand, Piedmont Natural Gas currently does not have access to the volume of natural gas necessary to support a new major manufacturer in eastern North Carolina. Without the Atlantic Coast Pipeline, this means that transformative economic development projects will continue passing the region by.

Without the Atlantic Coast Pipeline, a qualifying major tenant will be forced to pay up to *six or seven times more* for natural gas access. Supplying a major tenant without the pipeline would require transporting gas across the state from a supply west of Charlotte that is already nearly fully tapped with existing customers. For example, without the pipeline, it would cost an estimated \$258 million to service a major auto manufacturer considering locating operations near Rocky Mount. With the Atlantic Coast Pipeline in operation, we estimate it would cost \$41 million to service that same auto manufacturing plant. Similarly, with the Atlantic Coast Pipeline, we estimate that it would cost \$22 million to service a large manufacturing plant in Goldsboro compared to about \$139 million to serve that same customer without the pipeline. In Bladen County, the cost to serve a larger manufacturer in Clarkton would be at least *ten times more* without the pipeline.

The critical energy infrastructure provided by the Atlantic Coast Pipeline will help meet the state's growing energy needs, giving us the ability to attract new businesses and industries that

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can create thousands of permanent, good-paying jobs while delivering more affordable energy for our families and businesses. Construction alone will stimulate almost \$700 million in economic activity and create more than 4,400 jobs across eastern North Carolina.

Over the first two decades of operation, the pipeline is expected to stimulate \$1.2 billion in capital investment in the state, specifically in struggling rural communities.

The ACP will also provide millions of dollars in annual property tax revenues to help revenue-starved counties along its route fund schools, hospitals, emergency responders and other essential community services.

With the approval of the Atlantic Coast Pipeline, we have the opportunity to bridge the growing rural-urban divide in our state that is leaving so many eastern North Carolina communities behind. I hope you will join me in supporting the Atlantic Coast Pipeline to help secure a bright future for our state.

Enclosed with this letter is a confidential briefing document to help you and your team understand Piedmont Natural Gas' plan for providing direct tap in service for large industrial customers. If you have any questions or concerns, please do not hesitate to contact me directly at (919) 546-6164 or David.Fountain@duke-energy.com.

Sincerely,



David B. Fountain
North Carolina President
Duke Energy

DBF/aps

Enclosure

CC: Frank Yoho, President, Piedmont Natural Gas